GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2422
ANSWERED ON:04.08.2015
Sugar Consumption
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether there has been a decline in the production of sugar and if so, the details thereof and the reasons therefor indicating the production, availability and demand, including domestic and industrial demand in the country during the last three years and the current year;

(b) whether the sugar was imported during the said period to meet the demand and if so, the details thereof indicating the quantity and price of the sugar imported and the amount spent thereon;

(c) whether the estimated decline in sugarcane production due to weak monsoon is likely to have adverse impact on sugar production during the ensuing year and if so, the details thereof and the corrective steps taken in this regard;

(d) whether the Government has taken note of the outstanding sugarcane dues and rise in prices of sugar during the said period and if so, the details thereof and the incentives being provided by the Government for the benefit of sugarcane farmers and the sugar industry in the country and to control its prices; and

(e) whether the Government proposes to promote import of finished sugar for domestic consumption by making changes in the conditions for import and permit sugar mills to sell white sugar in domestic market so as to increase the availability and check its prices and if so, the details thereof ?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)

(a): No, Madam. Sugar production has been more than the domestic demand during the last three sugar seasons and the current sugar season 2014-15. The details of production, availability and demand, including domestic and industrial demand in the country during the last three sugar seasons and the current sugar season are given below:-

Sugar season (Oct.-Sept.) Carry Over Stock of Previous Sugar Season
(In Lac MT) Sugar production
(In Lac MT) Total Availability of Sugar
(In Lac MT) Domestic and Industrial Demand
(In Lac MT)
2011-12 58.54 263.43 321.97 227.25
2012-13 66.01 251.83 317.84 230.00
2013-14 91.09 245.54 336.63 243.00
2014-15
72.13 280.00
(Estimate) 352.13 248.00
(Estimate)

(b): No, Madam. There has been hardly any import under Open General Licence (OGL) during the said period as domestic production of sugar exceeded the domestic demand of sugar.

(c): As per the Directorate of Sugarcane Development, Lucknow under the Department of Agriculture and Cooperation, the area under sugarcane cultivation for the ensuing sugar season 2015-16 has been estimated around 46.59 lac hectares as compared to 46.42 lac hectares for the corresponding period of current sugar season 2014-15. Since, monsoon season is going on; it is too early to estimate the impact of monsoon on sugarcane and sugar production at this stage.

(d): Due to surplus availability of sugar during the last three sugar seasons and the current sugar season 2014-15, the prices of sugar are subdued affecting the liquidity of the sugar mills to pay the cane dues to the sugarcane farmers which are at Rs.17301 crore as on 15.07.2015 in the country. In order to increase the liquidity of the sugar mills enabling them to clear cane dues of the sugarcane farmers, the Central Government has taken the following steps:-

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i. Extended financial assistance to the sugar mills in the form of interest free loan of Rs. 6600 crore through banks (SEFASU 2014), for sugar season 2013-14.
ii. Providing incentive for production and export of raw sugar during the sugar seasons 2013-14 and 2014-15.
iii. Extending soft loan of Rs. 6000 crore from banks with interest subvention and moratorium for one year for sugar season 2014-15.
iv. Smoothened the supply chain procedure for EBP and fixed its remunerative price.
v. Waived excise duty on ethanol to be supplied for EBP in 2015-16 sugar season.
vi. Import Duty increased from 25% to 40%.
vii. Processing time under Advance Authorization Scheme reduced from 18 months to 6 months.
viii. The "Duty Free Import Authorization" scheme (DFIA) for sugar withdrawn to prevent possible leakages.

(e): Presently, the import of sugar is subjected to payment of customs duty @ 40%. There is no proposal to promote import of sugar including finished sugar as the availability of sugar in the country is more than the domestic demand. The prices of sugar are subdued in the domestic market.
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